

ORDER FOR SUPPLIES OR SERVICES

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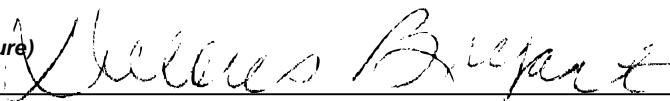
IMPORTANT: Mark all packages and papers with contract and/or order numbers.

1. DATE OF ORDER 06/01/2004		2. CONTRACT NO. (If any)		6. SHIP TO: John G. Hoban	
3. ORDER NO. DTMA1F04055		4. REQUISITION/REFERENCE NO. PR300040086		a. NAME OF CONSIGNEE DOT/Maritime Administration, MAR-330	
5. ISSUING OFFICE (Address correspondence to) DOT/Maritime Administration, MAR-380 400 Seventh Street, SW., Room 7310 Washington DC 20590				b. STREET ADDRESS 400 Seventh Street, SW., Room 7325	
				c. CITY Washington	d. STATE DC
				e. ZIP CODE 20590	
7. TO: a. NAME OF CONTRACTOR Pamela Johnson				f. SHIP VIA	
b. COMPANY NAME IBM Global Services				8. TYPE OF ORDER	
c. STREET ADDRESS 1616 North Fort Myer Dr.				<input checked="" type="checkbox"/> a. PURCHASE REFERENCE YOUR: Please furnish the following on the terms and conditions specified on both sides of this order and on the attached sheet, if any, including delivery as indicated.	
d. CITY Arlington		e. STATE VA		f. ZIP CODE 22209	
9. ACCOUNTING AND APPROPRIATION DATA - - 4750 - 1 - 04 - 010 - - GAL002 - 110000 - - 2522 - - - - -				10. REQUISITIONING OFFICE DOT/Maritime Administration, MAR-330	

11. BUSINESS CLASSIFICATION (Check appropriate box(es)) <input checked="" type="checkbox"/> a. SMALL <input type="checkbox"/> b. OTHER THAN SMALL <input type="checkbox"/> c. DISADVANTAGED <input type="checkbox"/> d. WOMEN-OWNED							
12. F.O.B. POINT Destination		14. GOVERNMENT B/L NO.		15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date) 11/15/2004		16. DISCOUNT TERMS 10 days % 20 days % 30 days % days %	
13. PLACE OF a. INSPECTION b. ACCEPTANCE							

17. SCHEDULE (See reverse for Rejections)

17. SCHEDULE (SEE REVERSE FOR INSTRUCTIONS)							
ITEM NO. (a)	SUPPLIES OR SERVICES (b)		QUANTITY ORDERED (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)	QUANTITY ACCEPTED (g)
	SEE LINE ITEM DETAIL						
SEE BILLING INSTRUCTIONS ON REVERSE	18. SHIPPING POINT		19. GROSS SHIPPING WEIGHT		20. INVOICE NO.		17(h) TOT. (Cont. pages)
	21. MAIL INVOICE TO: John G. Hoban						
	a. NAME DOT/Maritime Administration, MAR-330						
	b. STREET ADDRESS (or P.O. Box) 400 Seventh Street, SW., Room 7325					\$115,000.00	17(i) GRAND TOTAL
	c. CITY Washington		d. STATE DC	e. ZIP CODE 20590			

22. UNITED STATES OF AMERICA BY (Signature) 		23. NAME (Typed) Delores Bryant TITLE: CONTRACTING/ORDERING OFFICER	
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RECEIVING REPORT

SHIPMENT	PARTIAL		DATE RECEIVED	SIGNATURE OF AUTHORIZED U.S. GOV'T REP.	DATE
NUMBER	FINAL				
TOTAL CONTAINERS		GROSS WEIGHT	RECEIVED AT	TITLE	

[illegible]

**ORDER FOR SUPPLIES OR SERVICES
SCHEDULE - CONTINUATION**

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IMPORTANT: Mark all packages and papers with contract and/or order numbers.

DATE OF ORDER		CONTRACT NO.		ORDER NO.		
06/01/2004				DTMA1F04055		
ITEM NO. (a)	SUPPLIES OR SERVICES (b)	QUANTITY ORDERED (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)	QUANTITY ACCEPTED (g)
	<i>This purchase order is awarded in accordance with the terms and conditions set forth in GSA Schedule Contract GS-23F-8126H. This order is placed as a Time and Materials order.</i>					
0001	Sr. Principal III All work shall be completed in accordance with the Statement of Work located in Section C of this Purchase Order. <div><i>Delivery Date</i> <i>Start Date</i> <i>End Date</i> 11/15/2004 06/01/2004 11/15/2004</div> Reference Requisition: PR300040086	60.00	HR	187.000	11,220.00	
0002	Principal Consultant III All work shall be completed in accordance with the Statement of Work located in Section C of this Purchase Order. <div><i>Delivery Date</i> <i>Start Date</i> <i>End Date</i> 11/15/2004 06/01/2004 11/15/2004</div> <i>Accounting Data:</i> 4750 1 04 010 110000 GAL002 2522 - \$115,000 <i>Funds in the amount of \$18,000 are subject to availability in accordance with FAR 52.232-18</i>	904.00	HR	135.000	122,040.00	

TOTAL CARRIED FORWARD TO 1ST PAGE (ITEM 17i) ➡ \$133,260.00

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COMMERCIAL CLAUSES

1 52.252-02 CLAUSES INCORPORATED BY REFERENCE

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

www.arnet/far.gov

Clause	Title	Date
52.211-13	Time Extensions	September 2000
52.211-18	Variation in Estimated Quantity	April 1984
52.213-02	Invoices	April 1984
52.213-04	Terms and Conditions--Simplified Acquisitions (Other Than Commercial Items)	April 2004

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SECTION A -- SOLICITATION/CONTRACT FORM

A.1 52.252-02 CLAUSES INCORPORATED BY REFERENCE

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www.arnet.far.gov

Clause	Title	Date
52.242-14	Suspension of Work	April 1984

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SECTION C -- DESCRIPTIONS AND SPECIFICATIONS

C.1 STATEMENT OF WORK

Background - MARAD's Office of Accounting is currently facing a tremendous pressure & challenges from the OMB and Treasury that the requirements of the President's Management Agenda on financial management have imposed agencies to take aggressive actions to resolve any issues & problems of the financial management and audited financial statement during FY 2004. Furthermore, this year, the OMB requires agencies government-wide to submit FY 2004 audited financial statement to the OMB no later than November 15, 2004. Therefore, DOT/MARAD has only 46 days (from October 1 to November 15) to prepare and submit an audited consolidated DOT FY 2004 financial statement this year. It is 77 days less for DOT to prepare financial statement this year comparing with the last year's due date January 31, 2004 for submitting FY 2003 audited financial statement and 107 days less for preparing FY 2002 financial statement.

One of MARAD as well as DOT-wide issues are pertaining to the tracking and confirming of intra-governmental transactions. For the US Government to prepare a government-wide financial statements, the Treasury needs to consolidate all financial statements from all agencies. However, transactions between the US Government agencies will be overstated when the Treasury consolidated them. For example, Navy and MARAD entered into reimbursable agreements that MARAD would provide MARAD's ships to service and support Navy's missions. When Navy reimbursed MARAD, Navy would record the costs as expenses and MARAD would record the costs as revenues. When the Treasury consolidated Navy's & MARAD's financial statements, the Treasury would report MARAD's revenues and Navy's expenses on the US Government's financial statements. As a result, the US Government's financial statement is overstating the US Government's revenues & expenses, since both the Navy and MARAD are a part of the US Government. In this case, for the US Government's financial statement, MARAD's revenues and Navy's expenses should be eliminated from the US Government's financial statements. The Treasury requires that agencies work among themselves to eliminate these type of transactions before agencies prepare their financial statements.

Tasks - The comparison, confirmation, reconciliation, negotiation and elimination of the related Intra-governmental financial information for the DOT financial statement has been identified by the OIG as a DOT-wide weakness of the audited financial management. DOT, OST has implemented a work plan to improve this process since March 2004. The plan requires each OA to implement a mechanism (e.g., manually preparation of a common template spreadsheet) to communicate with all OAs and all agencies that have provided or received service monthly. MARAD maintains approximately 550 open agreements at any given time. In the past, all Federal agencies were required to conduct this type of confirmation annually, then changed to quarterly. Now, DOT imposed all OA's to conduct monthly updates, comparison, confirmation, reconciliation, negotiation, adjustments and elimination of the intra-governmental financial activities within a short time window (4 business days). This means that MARAD needs to carefully maintain and update the detail of 550 agreements for their general ledgers accounts, such as, advance from, accounts receivable, collections, revenues, prepayments, accounts payable and expenses, etc. during the month and immediately after the close of the month. Within the first two business day of each month, MARAD must complete and send out the template to the related OAs and agencies to compare, reconcile and confirm with counterparts until both agencies concur with the amounts that both agencies agree to within the 4th working business day. Since this DOT action item requires immediate attention and MARAD has a big volume of workload (550 agreements) which requires additional and dedicated efforts to keep it current and to meet the deadline, we need some contract help to comply with these DOT's requirements.

Tasks -

1. Automation of Standard Form 1081 Voucher and Schedule of Withdrawals & Credit - Currently, DELPHI can not produce a proper SF 1081 that MARAD can use it to withdraw funds from our government customers for services MARAD provides through the Treasury's IPAC system. We have been preparing SF 1081s manually. The issue is that MARAD has 500+ open reimbursable interagency agreements. Each month, we are late in collecting funds from our customers through IPAC, because it took too long to prepare SF 1081s manually. We need assistance for developing a mechanism to merge SF 1081 related information from DELPHI and MARAD's Excel template to produce complete & useful SF1081s electronically so that we can bill & withdraw funds from our government customers timely, efficiently & effectively.

2. Elimination of Intra-Governmental accounting Transactions - The comparison, confirmation, reconciliation, negotiation and elimination of the related Intra-governmental financial information for the DOT financial statement has been identified by the OIG as a DOT-wide weakness of the audited financial management. DOT, OST has implemented a work plan to improve this process since March 2004. The plan requires each OA to implement a mechanism (e.g., manually preparation of a common template spreadsheet) to

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communicate with all OAs and all agencies that have provided or received service monthly. MARAD maintains approximately 550 open agreements at any given time. In the past, all Federal agencies were required to conduct this type of confirmation annually, then changed to quarterly. Now, DOT imposed all OA's to conduct monthly updates, comparison, confirmation, reconciliation, negotiation, adjustments and elimination of the intra-governmental financial activities within a short time window (4 business days). This means that MARAD needs to carefully maintain and update the detail of 550 agreements for their general ledgers accounts, such as, advance from, accounts receivable, collections, revenues, prepayments, accounts payable and expenses, etc. during the month and immediately after the close of the month. Within the first two business day of each month, MARAD must complete and send out the template to the related OAs and agencies to compare, reconcile and confirm with counterparts until both agencies concur with the amounts that both agencies agree to within the 4th working business day. Since this DOT action item requires immediate attention and MARAD has a big volume of workload (550 agreements) which requires additional and dedicated efforts to keep it current and to meet the deadline, we need some contract help to comply with these DOT's requirements.

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SECTION E -- INSPECTION AND ACCEPTANCE

E.1 52.252-02 CLAUSES INCORPORATED BY REFERENCE

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

www.arnet.far.gov

Clause	Title	Date
52.246-06	Inspection--Time-And-Material And Labor-Hour	May 2001

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SECTION F -- DELIVERIES OR PERFORMANCE

F.1 52.252-02 CLAUSES INCORPORATED BY REFERENCE

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

www.arnet.far.gov

Clause	Title	Date
52.211-08	Time of Delivery	June 1997
52.211-16	Variation In Quantity	April 1984
52.242-15	Stop-Work Order	August 1989
52.242-17	Government Delay Of Work	April 1984

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SECTION G -- CONTRACT ADMINISTRATION DATA

G.1 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE

a. The Contracting Officer's Technical Representative (COTR) is responsible for the technical aspects of the project and technical liaison with the Contractor. The COTR is also responsible for the final inspection and acceptance of all reports, and such other responsibilities as may be specified in the contract.

b. The COTR is not authorized to make any commitments or otherwise obligate the Government or authorize any changes which affect the contract price, terms or conditions. Any Contractor request for changes shall be referred to the Contracting Officer directly or through the COTR. No such changes shall be made without the expressed prior authorization of the Contracting Officer. The COTR may designate assistant COTR(s), to act for him by naming such assistant in writing and transmitting a copy of such designation through the Contracting Officer to the Contractor.

c. The COTR for this contract will be:

Mr. John Hoban, Director
Maritime Administration
Office of Accounting, Mar-330
400 7th St., SW, Room 7325
Washington, DC 20590
Telephone: 202-366-5852

d. The COTR may be changed by the Government at any time, but notification of the change, including the name and address of the successor COTR, will be promptly provided to the Contractor by the Contracting Officer in writing.

G.2 INVOICES

a. Invoices shall be submitted in an original and 3 copies to:

U.S. Department of Transportation
Maritime Administration
Division of Accounting Operations, Mar-333
400 7th St., SW, Room 7325
Washington, DC 20590

b. To constitute a proper invoice, the invoice must include the following information and/or attached documentation:

- (1) Name of the business concern.
- (2) Invoice date.
- (3) Contract number, or other authorization for supplies delivered or services performed (including order number and contract line item number).
- (4) Description, price and quantity of supplies and services actually delivery or rendered.
- (5) Shipping and payment terms.
- (6) Name (where practicable), title phone number, and complete mailing address of responsible official to whom payment is to be sent.
- (7) Other substantiating documentation or information as required by the contract.

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SECTION I -- CONTRACT CLAUSES

I.1 52.252-02 CLAUSES INCORPORATED BY REFERENCE

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www.arnet.far.gov

Clause	Title	Date
52.202-01	Definitions	December 2001
52.203-03	Gratuities	April 1984
52.203-05	Covenant Against Contingent Fees	April 1984
52.203-06	Restrictions On Subcontractor Sales To The Government	July 1995
52.203-07	Anti-Kickback Procedures	July 1995
52.203-08	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	January 1997
52.204-02	Security Requirements	August 1996
52.204-04	Printed or Copied Double-Sided on Recycled Paper.	August 2000
52.204-07	Central Contractor Registration	October 2003
52.211-05	Material Requirements.	August 2000
52.215-08	Order of Precedence--Uniform Contract Format	October 1997
52.216-18	Ordering	October 1995
52.216-24	Limitation Of Government Liability	April 1984
52.216-25	Contract Definitization (See Note 1.)	October 1997
52.222-12	Contract Termination-Debarment	February 1988
52.223-06	Drug Free Workplace	May 2001
52.223-14	Toxic Chemical Release Reporting	August 2003
52.224-01	Privacy Act Notification	April 1984
52.224-02	Privacy Act	April 1984
52.225-13	Restrictions on Certain Foreign Purchases	December 2003
52.227-14	Rights in Data--General	June 1987
52.227-19	Commercial Computer Software- Restricted Rights	June 1987
52.232-01	Payments	April 1984
52.232-07	Payments Under Time-And-Materials And Labor-Hour Contracts	December 2002
52.232-08	Discounts For Prompt Payment	February 2002
52.232-16	Progress Payments	April 2003
52.232-18	Availability Of Funds	April 1984
52.232-23	Assignment Of Claims	January 1986
52.232-25	Prompt Payment	October 2003
52.232-33	Payment by Electronic Funds Transfer-Central Contractor Registration	October 2003
52.233-01	Disputes	July 2002
52.233-03	Protest After Award	August 1996
52.237-03	Continuity Of Services	January 1991
52.243-01	Changes--Fixed Price	August 1987
52.243-03	Changes--Time-And-Material Or Labor-Hours	September 2000
52.243-06	Change Order Accounting	April 1984
52.243-07	Notification Of Changes	April 1984
52.244-06	Subcontracts for Commercial Items	April 2003

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52.245-03	Identification of Government-Furnished Property	April 1984
52.245-05	Government Property (Cost-Reimbursement Time-And-Materials, Or Labor Hour Contracts)	May 2004
52.245-05 Alt I	Government Property (Cost-Reimbursement, Time-and-Material, Or Labor-Hour Contracts) (May 2004) - Alternate I	June 2003
52.245-19	Government Property Furnished "As Is"	April 1984
52.247-12	Supervision, Labor, or Materials	April 1984
52.247-21	Contractor Liability for Personal Injury and/or Property Damage	April 1984
52.248-01	Value Engineering	February 2000
52.249-04	Termination for Convenience of the Government (Services) (Short Form)	April 1984
52.249-06 Alt IV	Termination (Cost-Reimbursement) (May 2004) - Alternate IV	September 1996
52.249-14	Excusable Delays	April 1984
52.252-02	Clauses Incorporated By Reference	February 1998

I.2 52.217-06 OPTION FOR INCREASED QUANTITY MARCH 1989

The Government may increase the quantity of supplies called for in the Schedule at the unit price specified. The Contracting Officer may exercise the option by written notice to the Contractor within 60 days. Delivery of the added items shall continue at the same rate as the like items called for under the contract, unless the parties otherwise agree.

**I.3 52.217-07 OPTION FOR INCREASED QUANTITY-SEPARATELY MARCH 1989
PRICED LINE ITEM**

The Government may require the delivery of the numbered line item, identified in the Schedule as an option item, in the quantity and at the price stated in the Schedule. The Contracting Officer may exercise the option by written notice to the Contractor within 60 days . Delivery of added items shall continue at the same rate that like items are called for under the contract, unless the parties otherwise agree.

**I.4 52.232-19 AVAILABILITY OF FUNDS FOR THE NEXT FISCAL APRIL 1984
YEAR**

Funds are not presently available for performance under this contract beyond \$115,000 . The Government's obligation for performance of this contract beyond that amount is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise for performance under this contract beyond \$115,000, until funds are made available to the Contracting Officer for performance and until the Contractor receives notice of availability, to be confirmed in writing by the Contracting Officer.